

MAR-26-99 FRI 09:23

FAX NO. 4079515517

P.03/03

AWARD / CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER GPAS (18 CFR 830)		RATING DO-A7		PAGE 1 of 19																																																										
CONTRACT (PROC. INST. IDENT.) NO. F19628-99-D-0001		3. EFFECTIVE DATE MAIL DATE		4. REQUISITION / PURCHASE REQUEST / PROJECT NO. See Schedule		CODE S1221A																																																										
5. ISSUED BY ZSC/JSK ELECTRONIC SYSTEMS CENTER AIR FORCE MATERIEL COMMAND, USAF 75 VANDENBERG DRIVE, BLDG 1630 HANSCOM AFB, MA 01731-2119 JUAN L. MARTINEZ (781)377-5379		CODE FA8708		6. ADMINISTERED BY (IF OTHER THAN ITEM 4) DCMC NORTHROP GRUMMAN MELBOURNE 2000 WEST NASA BOULEVARD P O BOX 9650 MELBOURNE FL 32902-9650																																																												
7. NAME AND ADDRESS OF CONTRACTOR (NO., STREET, CITY, COUNTY, STATE AND ZIP CODE) NORTHROP GRUMMAN CORPORATION INTEGRATED SYSTEMS AND AEROSTRUCTURES SECTOR AIRBORNE GROUND SURVEILLANCE AND BATTLE MANAGEMENT SYSTEMS MELBOURNE FL 32902-9650 BREVARD COUNTY See DD254 for Cleared Address CAGECODE 70974				EFT: T		SCD: C PAS: (NONE)																																																										
11. SHIP TO/MARK FOR See Section F				8. DELIVERY <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (see below)		9. DISCOUNT FOR PROMPT PAYMENT N																																																										
13. AUTHORITY FOR OTHER THAN FULL AND OPEN COMPETITION 10 U.S.C. 2304(c)(1)				10. SUBMIT INVOICES (4 COPIES UNLESS OTHERWISE SPECIFIED) TO		ITEM See Block																																																										
15A. ITEM NO See Section B				11. PAYMENT WILL BE MADE BY DFAS-CO/SOUTH ENTITLEMENT OPER P O BOX 182264 COLUMBUS OH 43218-2264		12. THE ADDRESS SHOWN IN CODE HQ0338																																																										
15B. SUPPLIES/SERVICES				14. ACCOUNTING AND APPROPRIATION DATA See Section G																																																												
				15C. QUANTITY 15D. UNIT 15E. UNIT PRICE 15F. AMOUNT																																																												
MAILING DATE MAR 26 1999				15G. TOTAL AMOUNT OF CONTRACT \$1,200,000,000.00																																																												
16. Table of Contents																																																																
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE																																																																
17. <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 1 copies to issuing office). Contractor agrees to furnish and deliver all items or perform all services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. <input type="checkbox"/> Award (Contractor is not required to sign this document). Your offer on solicitation number, including the additions or changes made by you which additions or changes set forth in full above, is hereby accepted as to items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.																																																												
19A. NAME AND TITLE OF SIGNER (TYPE OR PRINT)				20A. NAME OF CONTRACTING OFFICER																																																												
				Carol L. Quinlan																																																												
19C. Date Signed				20B. United States of America																																																												
				by <i>Carol L. Quinlan</i> (signature of Contracting Officer)																																																												
MAR 26 1999				20C. Date Signed																																																												
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7540-01-152-8069 Previous Editions unusable ConWrite version 2.60				STANDARD FORM 28 (Rev 4-85) Prescribed by GSA FAR (48 CFR) 83.214(a)																																																												

DEC 12 2000

This is an Indefinite Delivery, Indefinite Quantity Contract. The objective of this contract is to provide Engineering and Manufacturing Development(EMD)(Improvements) to the Joint STARS Program. This contract covers the engineering, design, development, integration, test and delivery of various enhancements and upgrades to the Joint STARS system including development of all support requirements (technical orders, support equipment, initial spares, training, etc.) and procurement of production and support system retrofit kits/documentation resulting from these enhancements and upgrades. The contract will provide an engineering service task (EST) agreement. The engineering task agreement will include proposal preparation cost for ESTs and EMD efforts. This will facilitate the acquisition of discrete tasks and/or level of effort activities to support EMD efforts to include conducting analyses, studies, planning, design/development, prototype, qualification/test, production, kits/retrofit/initial spares, system integration, installation, training, support, flight test infrastructure and recurring program management. Non-Labor Hour delivery orders awarded shall be negotiated separately, the contract type will be determined during negotiations and all terms and conditions will be tailored to the individual delivery orders, as required.

The basic term of this contract shall begin on the date of contract award with an ordering period of 72 months from the effective date of contract award.

At award, the Government will issue a task order that will meet or exceed the contract minimum order of \$3,000,000.00. Thereafter, the Government will not be obligated to order a minimum quantity/amount. During the life of this contract the Government will have the right to order, and the Contractor shall be obligated to deliver to the Government, up to the contract maximum of \$1,200,000,000.

PART I - THE SCHEDULE
SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

ITEM	SUPPLIES OR SERVICES	Qty Purch Unit	Unit Price Total Item Amount
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0001

JSSIP PROPOSAL PREPARATION

security: U
nsn: N - NOT APPLICABLE
contract type: Z - LABOR HOUR
inspection: DESTINATION
acceptance: DESTINATION
fob: DESTINATION
descriptive data:

- a. The Contractor shall prepare proposals in accordance with individual Delivery Orders Requests for Proposals.
b. Each delivery order will establish individual ceiling prices. The total maximum will not exceed the total estimated ceiling value of \$40 million for CLINs 0001, 0002, 0003, and 0004.
c. This is a Labor Hour CLIN. Individual orders will be issued under this CLIN IAW B.A. B035, Labor Hour, and H.A. ESC-H102, Delivery Order Process.

0002

ENGINEERING SERVICE TASKS (ESTS)

security: U
nsn: N - NOT APPLICABLE
contract type: Z - LABOR HOUR
inspection: DESTINATION
acceptance: DESTINATION
fob: DESTINATION
descriptive data:

- a. The Contractor shall provide Engineering Service Tasks (ESTs) in accordance with individual delivery orders. ESTs may include, but not be limited to: technical support and engineering services for development, engineering and trade studies and use of E8 aircraft, equipment and laboratory facilities to support Government system testing, training activities, and system demonstrations in accordance with documents listed in Section J of individual delivery orders. ESTs may also include, but are not limited to: estimates for support equipment, trainers, support demonstration, initial spares, technical orders updates, etc.
b. Each delivery order will establish individual ceiling prices. The total maximum will not exceed the total estimated ceiling value of \$40 million for CLINs 0001, 0002, 0003, and 0004.
c. This is a Labor Hour CLIN. Individual orders will be issued under this CLIN IAW B.A. B035, Labor Hour, and H.A. ESC-H102, Delivery Order Process.

PART I - THE SCHEDULE
SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

ITEM	SUPPLIES OR SERVICES	Qty	Unit Price
		Purch Unit	Total Item Amount

0003

OTHER DIRECT COSTS (ODC)

security: U
nsn: N - NOT APPLICABLE
contract type: S - COST REIMBURSEMENT
inspection: DESTINATION
acceptance: DESTINATION
fob: DESTINATION
descriptive data:

- Provide materials, travel, and Other Direct Costs (ODC) in support of CLINs 0001 or 0002 in accordance with documents listed in Section J of individual delivery orders.
- Reimbursement for actual costs only, without profit or fee.
- Each delivery order will establish individual ceiling prices. The total maximum will not exceed the total estimated ceiling value of \$40 million for CLINs 0001, 0002, 0003, and 0004.

0004

DATA IAW INDIVIDUAL DELIVERY ORDER EXHIBITS

security: U
nsn: N - NOT APPLICABLE
DD1423 is Exhibit: A
contract type: Z - LABOR HOUR
inspection: DESTINATION
acceptance: DESTINATION
fob: DESTINATION
descriptive data:

- Provide data in accordance with CDRL requirements assigned in individual delivery orders in support of CLINs 0001 or 0002.
- Not Separately Priced (NSP). Price included in delivery order issued under CLINs 0001 or 0002.
- Each delivery order will establish individual ceiling prices. The total maximum will not exceed the total estimated ceiling value of \$40 million for CLINs 0001, 0002, 0003, and 0004.
- This is a Labor Hour CLIN. Individual orders will be issued under this CLIN IAW B.A. B035, Labor Hour, and H.A. ESC-H102, Delivery Order Process.

PART I - THE SCHEDULE
SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

B035 CONTRACT TYPE: LABOR HOUR (FEB 1997)

(a) The Contractor shall furnish at the hourly rates stated below, all necessary and qualified personnel, managing and directing the same to complete CLIN(s) 0001, 0002, 0004 within the performance period specified in Section F. In performance of these CLIN(s), Contractor shall be reimbursed for direct labor (exclusive of any work performed in an unpaid overtime status) at the hourly rates listed below for the identified labor categories.

CATEGORIES **HOURLY RATE**
Hourly Engineering Services Tasks (ESTs), EST Proposal Preparation, and EMD Proposal Preparation

MELBOURNE

Labor Category	1999 Rate	2000 Rate	2001 Rate	2002 Rate	2003 Rate	2004 Rate	2005 Rate
RC-15	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-20	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-21	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-23	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-30	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-40	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-60	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-61	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-62	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-70	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-71	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-72	TBN	TBN	TBN	TBN	TBN	TBN	TBN
RC-13	TBN	TBN	TBN	TBN	TBN	TBN	TBN

(b) For the purposes of the clause of this contract entitled "Payments Under Time-and-Material and Labor-Hour Contracts", the total ceiling price of the CLIN(s) specified in paragraph (a) above is \$40,000,000.00.

B050 ALLOWABLE COST AND PAYMENT (COST CONTRACTS (NO FEE)) (SEP 1997)

Contractor shall be reimbursed for performance of this contract in accordance with the contract clauses and the following additional terms:

The total estimated cost of performance is \$40,000,000.00.

Applicable to following Line Items: 0003. The total estimated amount of \$40,000,000.00 also includes coverage of the Labor Hour CLINs 0001, 0002, and NSP CLIN 0004.

PART I - THE SCHEDULE
SECTION C - DESCRIPTION/SPECS./WORK STATEMENT

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

ESC-C23 CLIN DESCRIPTION (AUG 1998)

CLINs	Description
0001	Proposal Preparation shall be in accordance with individual delivery orders.
0002	Initial Studies & Analysis shall be in accordance with individual delivery orders.
0003	Other Direct Costs (ODC) shall be in accordance with individual delivery orders.
0004	Contract Data Requirements List (CDRL), DD Form 1423, provided with individual delivery orders.

PART I - THE SCHEDULE
SECTION D - PACKAGING AND MARKING

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

D001 PRESERVATION, PACKAGING, PACKING AND MARKING REQUIREMENTS (FEB 1997)

Preservation, packaging, packing and marking shall be set forth in the individual order.

PART I - THE SCHEDULE
SECTION E - INSPECTION AND ACCEPTANCE

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by reference:

A. FEDERAL ACQUISITION REGULATION CONTRACT CLAUSES

- 52.246-03 INSPECTION OF SUPPLIES -- COST-REIMBURSEMENT (APR 1984)
(APPLICABLE TO CLIN 0003)
52.246-06 INSPECTION -- TIME-AND-MATERIAL AND LABOR-HOUR (JAN 1986) INSPECTION --
TIME-AND-MATERIAL AND LABOR-HOUR (JAN 1986) - ALTERNATE I (APR 1984)
(APPLICABLE TO CLIN 0001, 0002, AND 0004)

B. DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT CONTRACT CLAUSES

- 252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)

II. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

ESC 121 CLIN DESCRIPTION (AUG 1998)

CLINs Description

0001 Final Inspection and Acceptance shall occur at destination after successful completion of each individual delivery order requirements as evidenced by Government execution of a DD Form 250.

0002, 0003 Final Inspection and Acceptance shall occur at source or destination IAW each individual delivery order as evidenced by Government execution of a DD Form 250.

0004 As set forth in each individual delivery order CDRL Exhibit.

PART I - THE SCHEDULE
SECTION F - DELIVERIES OR PERFORMANCE

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by reference:

A. FEDERAL ACQUISITION REGULATION CONTRACT CLAUSES

52.242-15 STOP-WORK ORDER (AUG 1989) - ALTERNATE I (APR 1984)
52.247-34 F.O.B. DESTINATION (NOV 1991)

II. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

ESC 13 CLIN DELIVERIES AND PERIOD OF PERFORMANCE (AUG 1998)

0001 Delivery shall be in accordance with individual Delivery Orders. The period of performance to issue orders shall be through 72 months after contract award.

0002 Delivery shall be in accordance with individual Delivery Orders. The period of performance to issue orders shall be through 72 months after contract award.

0003 Delivery shall be in accordance with individual Delivery Orders. The period of performance to issue orders shall be through 72 months after contract award.

0004 Delivery shall be in accordance with individual Delivery Orders. The period of performance to issue orders shall be through 72 months after contract award.

PART I - THE SCHEDULE
SECTION G - CONTRACT ADMINISTRATION DATA

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by reference:

A. AIR FORCE FEDERAL ACQUISITION REGULATION SUPPLEMENT CONTRACT CLAUSES

5352.232-9000 REMITTANCE ADDRESS (MAY 1996)
Remittance address: Chase Manhattan Bank
New York, New York
ABA [REDACTED]
Northrop Grumman Corporation
Account [REDACTED]

II. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

CGIC INVOICE AND PAYMENT - COST REIMBURSEMENT (FEB 1997)

Invoices (or public vouchers), supported by a statement of cost for performance under this contract, shall be submitted to the cognizant Defense Contract Audit Agency (DCAA) office. Under the provisions of DFARS 242.803(b), the DCAA auditor, is designated as the authorized representative of the contracting officer (CO) for examining vouchers received directly from the contractor.

G015 IMPLEMENTATION OF TAXPAYER IDENTIFICATION NUMBER (APR 1998)

In accordance with FAR 52.204-03, Taxpayer Identification Number is [REDACTED]

ESC G-4 ADMINISTRATIVE INFORMATION (AUG 1998)

1. Accounting classifications will be provided on individual delivery orders.

2. Administrative Information:

- a. Contracting Office Representative: Juan L. Martinez
- b. Contracting Officer: Carol L. Quinlan
- c. Symbol of Purchasing Office: ESC/JSK
- d. Telephone Number and Extension: (781)377-5379/3570

3. Instructions Re Patents Clause:

The ACO will forward all documentation (reports, invention disclosures, notices, requests) and other information concerning patents to the following addressee:

ESC/JAZ (Patent Counsel)
40 Wright Street
Hanscom AFB, MA 01731

PART I - THE SCHEDULE
SECTION G - CONTRACT ADMINISTRATION DATA

4. Transportation Office: Transportation Officer
DCMC-Orlando
DCMDE-GOTB1
3555 MacGuire Boulevard
Orlando, FL 32803-3726

5. Submit Invoices/Vouchers: DFAS-Columbus Center
ATTN: DFAS-CO/SOUTH ENTITLEMENT OPERATIONS
P.O. Box 182264
Columbus, OH 43218-2264

PART I - THE SCHEDULE
SECTION H - SPECIAL CONTRACT REQUIREMENTS

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by full text:

A. ADMINISTRATIVE AND ONE-TIME-USE CLAUSES IN FULL TEXT

* Note: JSSIP Section H clauses applicable to all delivery orders awarded.

H025 INCORPORATION OF SECTION K (OCT 1998)

Section K of the solicitation is hereby incorporated by reference.

FSC-H101 CONTRACTING OFFICERS AUTHORITY (MAR 1999)

The Contracting Officer shall be the only individual authorized to direct and/or redirect the efforts or in any way amend any of the items of this contract other than those instances specifically delegated to an Administrative Contracting Officer or a Termination Contracting Officer by the contract clauses of this contract or in writing by the Contracting Officer. The terms "Procuring Contracting Officer" and "Principal Contracting Officer", as used throughout this contract and its attachments, are synonymous with the term "Contracting Officer."

FSC-H102 DELIVERY ORDER PROCESS (MAR 1999)

a. All Delivery Orders

Delivery Orders may be issued by the Contracting Officer. Once issued, a delivery order can only be changed by a contractual modification, including an adjustment in contract price, if required. Costs cannot be transferred between delivery orders, including those for proposal preparation. Costs incurred prior to issuance of the delivery order shall not be chargeable to the delivery order.

For those non-proposal preparation actions with a Government estimate over \$100,000.00, a Labor Hour delivery order for proposal preparation will be issued by the Contracting Officer, unless proposal preparation is provided by other means. This delivery order will include the funds for proposal preparation for that effort only, and the draft requirement. Proposals shall be submitted in accordance with the instructions provided in the proposal preparation delivery order. For those non-proposal preparation actions with a Government estimate under \$100,000.00, a separate delivery order for proposal preparation only will not be issued.

For those actions requiring a proposal (both those funded with a Labor Hour delivery order for proposal preparation and those without), the proposal preparation instructions will be included in a separate request for proposal. The Contractor shall prepare a proposal in accordance with the instructions provided therein. Efforts to be conducted may include, but not be limited to, joint Government/Contractor preparation of requirements documents, issuance of a request for proposal, joint proposal/basis of estimates preparation and review, factfinding, and negotiations. All proposal submittals shall incorporate any changes discussed within the individual requests for proposal. Upon conclusion of negotiations, another delivery order will be issued reflecting the agreement of both for performance of the action. This delivery order will include the type of contract, price, terms and conditions, technical requirements, etc., as required.

The rights of the Government and obligation of the Contractor in regards to audit and retention of accounting records related to individual orders issued under the contract are set forth at FAR 52.215-2

b. All Delivery Orders except Labor Hours

Each delivery order awarded shall be negotiated separately. The contract type will be determined during negotiations and terms and conditions will be tailored to the individual delivery orders as required.

c. Labor Hour Delivery Orders (applicable to CLINs 0001 - 0004)

PART I - THE SCHEDULE
SECTION H - SPECIAL CONTRACT REQUIREMENTS

Labor Hour Delivery Orders may be issued unilaterally or bilaterally at the discretion of the PCO on a case by case basis. Prior to an action being unilaterally issued by the Government, a draft requirement (including as applicable, but not limited to, a Model contract, Statement of Objective (SOO), Task Requirement Document (TRD), CDRLs, and a schedule) shall be transmitted to the Contractor by the Contracting Officer. The Contractor shall review the requirement and provide a written response within seven calendar days, identifying a single point of contact for the delivery order. This response shall include the Contractor's estimate and rationale for costs, and any other comments the Contractor deems necessary for performance of the delivery order. In any event, including no response or negative response from the Contractor, the Government retains the right to issue the action unilaterally.

ESC H103 COOPERATION WITH SUPPORT CONTRACTOR(S) (MAR 1999)

a. The Air Force has entered into contracts with the contractors set forth in paragraph d, below (hereinafter referred to as "support contractors") for services for scientific engineering and technical effort in support and under the technical direction of the Joint STARS Joint Program Office (JPO). The Contractor shall be required to provide support and technical information to the support contractors to the extent specified herein. The Contractor agrees that the Government may release to the support contractors any technical information required in the performance of this contract. Other support contractor may be added by the Government at no change to contract target cost, target fee, maximum fee, or minimum fee. Additionally, the Contractor agrees to enter into written mutual agreements with each support contractor for the protection of this information. A copy of the signed agreement shall be furnished to the Contracting Officer within 30 days of notification of identity of support contractors.

b. Such support shall include the right of the support contractor(s) to attend all scheduled technical audits, technical and program reviews and formal tests conducted in the performance of this contract when specifically required and approved by the Contracting Officer. Discussion with subcontractors by a support contractor shall be accomplished with the approval of the PCO and the concurrence of the Contractor.

c. The support and technical information to be provided shall be no greater than required by this contract. The technical support required is limited to the support necessary for the support contractor to fulfill its respective role to provide assistance to the Program Office for evaluation of the technical aspects.

d. The support Contractors will include the following:

- | | |
|---|--|
| (1) Analytical Systems Engineering Corp (ASEC)
5 Burlington Woods, Suite 100
Burlington, MA 02173 | (2) Dynamics Research Corporation
60 Concord Street
Wilmington, MA 01887 |
| (3) Horizons Technology, Inc.
700 Technology Drive
Billerica, MA 01821-4196 | (4) MEI Technology Corp
1050 Waltham Street
Lexington, MA 02173 |
| (5) Systems Research Corp
128 Wheeler Road
Burlington, MA 01803 | (6) ARINC Research Corporation
70 Westview Street
Lexington, MA 02173 |
| (7) MCR Federal Inc.
175 Middlesex Turnpike
Bedford, MA 01730 | (8) Gemini Industries Inc.
54 Middlesex Turnpike
Bedford, MA 01730 |
| (9) Tecolote Research Inc.
5290 Overpass Road, Bldg D.
Santa Barbara, CA 93111-3011 | |

PART I - THE SCHEDULE
SECTION H - SPECIAL CONTRACT REQUIREMENTS

ESC H104 CONTRACT DATES (MAR 1999)

- a. All periods of time referenced herein shall be measured by calendar days, weeks, months, as opposed to "work" days, weeks, months.
- b. With regard to due dates for submission of reports, data, hardware, etc., called for in Section B hereof, the Contractor will submit same in sufficient time to allow for their arrival at the specified destination on the due date indicated.
- c. The "Contract Award Date" shall be synonymous with the mailing date of the contract.
- d. The term "DAC" means "days after contract award date" and is calculated on the basis of calendar days.
- e. The term "MAC" means "months after contract award date" and is calculated on the basis of calendar months.

ESC H105 TOTAL SYSTEM PERFORMANCE RESPONSIBILITY (TSPR) (MAR 1999)

- a. TSPR is the responsibility for developing, integrating and delivering a complete system* which meets all requirements as defined in the individual delivery orders issued under the Joint STARS System Improvement Program (JSSIP). The Contractor hereby expressly agrees to accept Total System Performance Responsibility for all delivery orders issued under JSSIP whether or not its systems, subsystems, or components are fabricated, manufactured, or assembled by the Prime Contractor, Subcontractor, or furnished as GFE, and notwithstanding that any such subcontractor shall have been selected pursuant to any provision hereof encouraging or providing incentive for subcontracting with small or small disadvantaged business concerns.
- b. The Contractor shall be fully responsible for the integration and performance of all systems, subsystems, and components, whether GFE or Contractor acquired, and hereby agrees to make certain that any and all required inspections and acceptance test procedures are accomplished and sufficient to assess and determine all requirements are met. Furthermore, the Contractor is required and agrees that all systems, subsystems and components, whether GFE or Contractor acquired, if required under individual delivery orders will be installed and integrated into the Joint STARS system without resultant degradation of performance of that item or in the overall system performance. If during the execution of the delivery order the Contractor determines that System Specification modifications are required in order to meet TSPR, the Contractor shall immediately notify the Government, provide appropriate rationale; draft SCN's and/or the documentation for review and disposition by the Government. The Contractor's responsibility to install and integrate subsystems and components whether GFE or Contractor acquired without any degradation of performance of any such item is in addition to and not in substitution of its responsibility to insure that the total system will meet all requirements referenced as provided in paragraph (a) above; and the requirements of this paragraph (b) shall in no way excuse the Contractor from compliance with any other requirements of this Special Contract Requirement.
- c. The Contractor's total system performance responsibility shall not be affected by Government-Furnished Base Support, property, equipment or facilities provided under the terms of this contract whether such Government-Furnished items are used in the manufacture of deliverable systems/equipment or other aspects of contract performance.
- d. The Contractor recognizes and agrees that its assumption of TSPR has the following consequences:
 - (1) After receipt of any GFE, the Contractor shall provide to the Government, within thirty (30) calendar days, a list of patent defects or deficiencies in the GFE. The remedies provided by the Government Property clause shall be exclusive, with respect to each defect or deficiency and the Contractor is not hereby relieved of the system integration and performance responsibility. Failure of the Contractor to provide a timely written list as required by this clause shall be considered as an acknowledgement of GFE acceptability by the Contractor.

PART I - THE SCHEDULE
SECTION H - SPECIAL CONTRACT REQUIREMENTS

(2) Tacit acceptance does not apply in the case of latent defects or latent deficiencies. In that case, the Contractor shall provide written notice to the Government within 30 days of discovery of the latent defects or latent deficiency. Failure of the Contractor to provide a timely written list as required by this clause shall be considered as an acknowledgement of GFE acceptability by the Contractor.

(3) The Contractor retains full responsibility for successful integration of the CFE with the GFE regardless of any associate contractor agreement reached with others involved in the Program.

(4) The Contractor is not relieved of its obligation to make timely delivery, nor is it entitled to any other adjustment because of failure of the Contractor to implement corrective actions.

(5) The cost of performing TSPR is included in the individual delivery orders of the contract and the Contractor shall not be entitled to any equitable adjustment, associated with any problems encountered in fulfilling the TSPR responsibilities. For cost-reimbursement delivery orders, the Contractor's obligation to perform the TSPR requirement is limited to the funding obligated. Furthermore the Contractor agrees that failure to meet the JSSIP system performance requirements caused by the GFE as integrated shall be deemed an integration deficiency or incompatibility for which the Contractor is liable unless the Contractor can prove by clear and convincing evidence that the GFE, as delivered by the Government, was not "suitable for the intended use" within the meaning of the Government Property Clause.

e. The Contractor further agrees that, notwithstanding the right of the Government to review Contractor's efforts and progress, particularly design reviews, PCA/FCA, test procedures, test, and data items which may be provided for elsewhere in this contract, it is expressly understood that the Contractor is completely responsible for, the compliance of all contract requirements with the provisions of this contract and individual delivery orders. Any reviews or approvals by the Government shall not relieve the Contractor of its system integration and performance responsibility.

f. The Contractor hereby acknowledges that it has no right to assert against the Government, its officers, agents, or employees, any claims or demands with respect to the aforesaid requirements in effect on the date of award of this contract or individual delivery orders based upon subjective impossibility of performance; or defective, inaccurate, infeasible, insufficient or invalid requirements; or otherwise so based or derived as might otherwise arise.

g. Notwithstanding the "Changes" Clause or any other clause of this contract, the Contractor hereby agrees that no Contractor generated changes to the Contractor generated specifications under this contract, reviewed or approved by the Government, which may be necessary to permit achievement of the performance requirements specified herein for the Contractor's proposed systems for the program, shall entitle the Contractor to any increase in the cost/price or to any extension in delivery times of the individual delivery orders issued under this contract. This paragraph does not apply to changes that enhance system performance.

* Note: System is defined as the sum of, including but not limited to; all hardware components, parts, cables, antenna, subsystems, software, firmware, etc, that perform in a collective fashion to accomplish all required capabilities and functions as identified/specified in the System Specification and/or other compliance documents under which they were procured, qualified and accepted.

PART II - CONTRACT CLAUSES
SECTION I - CONTRACT CLAUSES

Contract Clauses in this section are from the FAR, Defense FAR Sup, Air Force FAR Sup, and the Air Force Materiel Command FAR Sup, and are current through the following updates:

FAR: FAC 97-10; DFAR: DCN19990115; DL: DL 98-021; Class Deviations: CD 98-00014; AFFAR: 1996 Edition; AFMCFAR: AFMCAC 97-3; AFAC: AFAC 96-1; IPN: 98-009;

I. NOTICE: The following contract clauses pertinent to this section are hereby incorporated by reference:

A. FEDERAL ACQUISITION REGULATION CONTRACT CLAUSES

- 52.202-01 DEFINITION (OCT 1995)
- 52.203-05 COVENANT AGAINST CONTINGENT FEES (APR 1984)
- 52.203-06 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995)
- 52.203-07 ANTI-KICKBACK PROCEDURES (JUL 1995)
- 52.203-08 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
- 52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
- 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997)
- 52.204-02 SECURITY REQUIREMENTS (AUG 1996)
- 52.204-04 PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER (JUN 1996)
- 52.209-06 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)
- 52.211-05 MATERIAL REQUIREMENTS (OCT 1997)
- 52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)
- 52.215-08 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)
- 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997)
- 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997)
- 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998)
- 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997)
- 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)
- 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997) - ALTERNATE II (OCT 1997)
- 52.216-07 ALLOWABLE COST AND PAYMENT (APR 1998)
- 52.216-11 COST CONTRACT -- NO FEE (APR 1984)
- 52.216-18 ORDERING (OCT 1995)
Para (a), Issued from date is 'Contract Award'
- 52.216-19 Para (a), Issued through date is '72 MONTHS AFTER CONTRACT AWARD'
- ORDER LIMITATIONS (OCT 1995)
Para (a), Dollar amount or quantity is '\$3,000,000.00'
- Para (b)(1), Dollar amount or quantity is '\$1,200,000,000.00'
- Para (b)(2), Dollar amount or quantity is '\$1,200,000,000.00'
- Para (b)(3), Number of days is 'N/A'
- Para (d), Number of days is 'N/A'
- 52.216-22 INDEFINITE QUANTITY (OCT 1995)
Para (d), Date is 'INDEFINITE'
- 52.219-08 UTILIZATION OF SMALL BUSINESS CONCERNS (JAN 1999)
- 52.219-09 SMALL BUSINESS SUBCONTRACTING PLAN (JAN 1999) - ALTERNATE II (JAN 1999)
- 52.219-16 LIQUIDATED DAMAGES -- SUBCONTRACTING PLAN (JAN 1999)
- 52.222-01 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)

PART II - CONTRACT CLAUSES
SECTION I - CONTRACT CLAUSES

52.222-03	CONVICT LABOR (AUG 1996)
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
52.222-26	EQUAL OPPORTUNITY (FEB 1999)
52.222-35	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (APR 1998)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)
52.222-37	EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999)
52.223-02	CLEAN AIR AND WATER (APR 1984)
52.223-06	DRUG-FREE WORKPLACE (JAN 1997)
52.223-11	OZONE-DEPLETING SUBSTANCES (JUN 1996)
52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (AUG 1998)
52.227-01	AUTHORIZATION AND CONSENT (JUL 1995)
52.227-02	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996)
52.227-21	TECHNICAL DATA DECLARATION, REVISION, AND WITHHOLDING OF PAYMENT -- MAJOR SYSTEMS (JAN 1997) Para (b), Government contract no.: 'F19628-99-D-0001' Para (b), Subcontract number 'N/A'
52.228-07	INSURANCE -- LIABILITY TO THIRD PERSONS (MAR 1996)
52.230-02	COST ACCOUNTING STANDARDS (APR 1998)
52.230-06	ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 1996)
52.232-07	PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (FEB 1997) - ALTERNATE II (JAN 1986)
52.232-09	LIMITATION ON WITHHOLDING OF PAYMENTS (APR 1984)
52.232-17	INTEREST (JUN 1996)
52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986)
52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986) - ALTERNATE I (APR 1984)
52.232-25	PROMPT PAYMENT (JUN 1997) Para (b)(1), Contract financing payments shall be made on the 30 th day"
52.233-01	DISPUTES (DEC 1998)
52.233-03	PROTEST AFTER AWARD (AUG 1996)
52.233-03	PROTEST AFTER AWARD (AUG 1996) - ALTERNATE I (JUN 1985)
52.234-01	INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994)
52.242-01	NOTICE OF INTENT TO DISALLOW COSTS (APR 1984)
52.242-03	PENALTIES FOR UNALLOWABLE COSTS (OCT 1995)
52.242-04	CERTIFICATION OF FINAL INDIRECT COSTS (JAN 1997)
52.242-13	BANKRUPTCY (JUL 1995)
52.243-02	CHANGES -- COST-REIMBURSEMENT (AUG 1987) - ALTERNATE II (APR 1984)
52.243-03	CHANGES -- TIME-AND-MATERIALS OR LABOR-HOURS (AUG 1987)
52.244-02	SUBCONTRACTS (AUG 1998) - ALTERNATE I (AUG 1998) Para (e), Contractor shall obtain the Contracting Officer's written consent before placing the following subcontracts: 'NONE' Para (k), the following subcontracts which were evaluated during negotiations: 'NONE'
52.244-06	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)
52.247-67	SUBMISSION OF COMMERCIAL TRANSPORTATION BILLS TO THE GENERAL SERVICES ADMINISTRATION FOR AUDIT (JUN 1997)
52.249-06	TERMINATION (COST-REIMBURSEMENT) (SEP 1996)
52.249-14	EXCUSABLE DELAYS (APR 1984)
52.252-02	CLAUSES INCORPORATED BY REFERENCE (FEB 1998)
52.252-06	AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

B. DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT CONTRACT CLAUSES

252.203-7001 SPECIAL PROHIBITION ON EMPLOYMENT (JUN 1997)
252.203-7002 DISPLAY OF DOD HOTLINE POSTER (DEC 1991)
252.204-7000 DISCLOSURE OF INFORMATION (DEC 1991)
252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)
252.204-7004 REQUIRED CENTRAL CONTRACTOR REGISTRATION (MAR 1998)
252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991)
252.209-7000 ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE
INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY (NOV 1995)
252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE
GOVERNMENT OF A TERRORIST COUNTRY (MAR 1998)
252.211-7000 ACQUISITION STREAMLINING (DEC 1991)
252.215-7000 PRICING ADJUSTMENTS (DEC 1991)
252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS (OCT 1998)
252.219-7003 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS
SUBCONTRACTING PLAN (DOD CONTRACTS) (APR 1996)
252.219-7011 NOTIFICATION TO DELAY PERFORMANCE (JUN 1998)
252.223-7004 DRUG-FREE WORK FORCE (SEP 1988)
252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991)
252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (JAN 1999)
252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (AUG 1998)
252.225-7026 REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (MAR 1998)
252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 1992)
252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.232-7009 PAYMENT BY ELECTRONIC FUNDS TRANSFER (CCR) (JUN 1998)
252.242-7005 COST/SCHEDULE STATUS REPORT (MAR 1998)
252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT (MAR 1998)
252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)
252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (DEC 1996)

C. AIR FORCE FEDERAL ACQUISITION REGULATION SUPPLEMENT CONTRACT CLAUSES

5352.204-9000 NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY (MAY 1996)
5352.204-9001 VISITOR GROUP SECURITY AGREEMENTS (MAY 1996)
5352.223-9000 ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES (ODS) (MAY 1996)
Para (d), Substances are 'NONE'

D. AIR FORCE MATERIEL COMMAND FAR CONTRACT CLAUSES

5352.219-9000 INCORPORATION OF SUBCONTRACTING PLAN (AFMC) (JUL 1997)
Preliminary Subcontracting Plan Number is " See Master Subcontracting Plan
Section J, Attachment 5"
Proposal Date "See Section J Attachment 5"
Small Business Goal Percentage will be identified in individual delivery orders
Small Disadvantaged Business Goal Percentage will be identified in individual delivery orders
Woman-owned business goal will be identified in individual delivery orders

5352.228-9001 INSURANCE CLAUSE IMPLEMENTATION (AFMC) (JUL 1997)

PART III - LIST OF DOCUMENTS, EXHIBITS & ATTACHMENTS
SECTION J - LIST OF ATTACHMENTS

DOCUMENT	PGS	DATE	TITLE
ATTACHMENT 1	11	23 MAR 1999	JSSIP MASTER AWARD FEE PLAN
ATTACHMENT 2	2	22 MAR 1999	JOINT STARS SYSTEM IMPROVEMENT PROGRAM (JSSIP) TECHNICAL DESCRIPTION DOCUMENT (TDD)
ATTACHMENT 3	13	22 MAR 1999	DEPARTMENT OF DEFENSE CONTRACT SECURITY CLASSIFICATION SPECIFICATION, DD FORM 254
ATTACHMENT 4	46	10 JUN 1998	JOINT STARS SECURITY CLASSIFICATION GUIDE
ATTACHMENT 5	9	31 JAN 1997	MASTER SUBCONTRACTING PLAN

Joint STARS System Improvement Program

**Task Description Document
22 March 1999**

**Joint STARS System Improvement Program
Task Description Document
22 March 1999**

1.0 Program Objectives

The objective of the Joint STARS System Improvement Program (JSSIP) is to provide the Joint STARS Joint Program Office (JPO) a contract vehicle to provide Engineering and Manufacturing Development (improvements) to the Joint STARS system. This delivery order contract covers the engineering, design, development, integration, test, and delivery of various enhancements and upgrades to the Joint STARS system including, development of all support requirements (technical orders, support equipment, initial spares, training, etc.) and procurement of production and support system retrofit kits/documentation resulting from these enhancements and upgrades. The contract will provide a engineering services task (EST) agreement. The engineering task agreement will include proposal preparation cost for ESTs and EMD efforts. This will facilitate the acquisition of discrete tasks and/or level of effort activities to support EMD efforts to include conducting analyses, studies, planning, design/development, prototype, qualification/test, production, kits/retrofit/initial spares, system integration, installation, training, support, flight test infrastructure and recurring program management.

2.0 Specific Objectives

2.1 Engineering & Manufacturing Development

The Contractor shall:

- Design, develop and test improvements to the Joint STARS (E-8) aircraft and ground systems.
- Identify and implement all associated training requirements, support requirements and resources that would be impacted by the EMD effort.
- Provide a list of initial spares needed to field the EMD effort.

2.2 Production/Retrofitting

The Contractor shall:

- Integrate and test EMD solution into the E-8C aircraft.
- Provide retrofitting kits and associated documentation for the EMD solution.
- Identify and implement associated support (Technical Orders, JIMIS, Training, GSS) needed to support the production/retrofitting to the aircraft.
- Provide Group A and Group B kits, kit-proofing, and required documentation for installation for production retrofit kits.

2.3 Proposal Preparation/Engineering Service Tasks

The Contractor shall:

- Provide proposals for future efforts.
- Provide ROM cost estimates

- Provide discrete task and level of effort activities for conducting analyses, studies, systems engineering, planning, prototype development, qualification/test, training, and flight test infrastructure.

2.4 Management

The Contractor shall:

- Perform management, control and reporting activities to support tasks defined in delivery orders.
- Follow an Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) approach when developing and executing tasks.
- Perform configuration management in accordance with industry best practices to ensure configuration identification, status accounting, control, and auditing.
- Perform data management in accordance with industry best practice to ensure timely, accurate and complete submittals. Maximize use of the Keyfile system or equivalent electronic media.

2.5 Logistics Support

The Contractor shall:

- Perform the necessary logistics functions: Logistic Support Analysis (LSA), provisioning, upgrades to trainers, tech orders, support equipment, initial spares, and training.

2.6 Security

The Contractor shall conduct all activities IAW The National Industrial Security Program Operating Manual (The NISPOM), the Joint STARS Security Classification Guide, and comply with the Contract Security Classification Specification, DD Form 254.

2.7 Hazardous Materials

If the equipment was not approved as part of Joint STARS E-8C configuration and contains hazardous materials to meet specification requirements, Government approval shall be required. This shall include materials that form toxic substances resulting from combining with others such as in combustion. Personnel limits to hazardous materials shall be within the threshold limit values published at the time of contract award by the American Conference of Government Industrial Hygienists under normal or emergency conditions.

2.8 Y2K Compliance

All information technology items shall be year 2000 compliant. Year 2000 compliant means information technology shall accurately process date/time data (including but not limited to calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Furthermore, year 2000 compliant information technology, when used in combination with other information technology, shall accurately process date/time data if the other information technology properly exchanges date/time data with it.

MASTER AWARD-FEE PLAN
FOR THE
JOINT STARS SYTEM IMPROVEMENT PROGRAM

CONTRACT: F19628-99-D-0001

DATE OF APPROVAL: MARCH 1999

APPROVED:

A handwritten signature in black ink, appearing to read "Craig P. Weston", written over a horizontal line.

Fee Determining Official
Brigadier General Craig P. Weston

JSSIP Master Award Fee Plan

Revision Record

Revision	Date	Applicable Changes	Approval

**JOINT STARS
SYSTEM IMPROVEMENT PROGRAM
AWARD FEE PLAN
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1.0 INTRODUCTION

This award-fee plan is the basis for the Joint STARS program office evaluation of the Contractor's performance for all Award Fee efforts under the Joint STARS System Improvement Program (JSSIP). The specific criteria and procedures used to assess the Contractor's performance and to determine the amount of award fee earned are described herein. All FDO decisions regarding the award fee, including, but not limited to: the amount of the award fee; the methodology used to calculate the award fee; the calculation of the award fee; the Contractor's entitlement to the award fee; and the nature and success of the Contractor's performance, shall not be subject to the "Disputes" clause nor reviewed by any Board of Contract Appeal (BCA), court, or other judicial entity.

The award fee will be provided to the Contractor through contract modifications and is in accordance with the Cost Plus Award Fee provisions of the contract. The award fee earned and payable will be determined by the FDO based upon the review of the Contractor's performance against the criteria set forth in this plan. The FDO may unilaterally change the master plan or any addendum's to individual DOs prior to the beginning of an evaluation period. The Contractor will be notified of changes to the plan by the Contracting Officer, in writing, before the start of the effected evaluation period. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties.

The objective of the JSSIP Award Fee Program is to incentivize the Contractor to perform in such a manner as to maximize the capability of the Weapon System and minimize program cost of JSSIP improvements. This plan will be administered, and the criteria established, in such a manner that the Contractor has a reasonable opportunity to earn 100% of the award fee during each period. Mitigating circumstances outside the Contractor's control will also be considered in the Award Fee evaluation.

The intent of this plan is to set up procedures to evaluate Contractor performance, for all JSSIP DOs with award fee provisions, using existing Joint STARS data, systems and other management tools. These management tools may include, but are not limited to, the Integrated Master Plan (IMP), Integrated Master Schedule (IMS), Technical Performance Measures (TPMs) of various kinds and Earned Value Management (EVM) compliant baseline management systems, as appropriate. Reporting channels within this plan reflect the roles and responsibilities of the Integrated Product Teams (IPTs) to manage the program on a daily basis in an Integrated Product Development (IPD) environment to the maximum extent practicable while imposing the minimum administrative burden on the Government and Contractor organizations.

2.0 ORGANIZATION

The Award Fee Organization consists of the Fee Determining Official (FDO), an Award Fee Review Board (AFRB) which consists of a chairperson, the contracting officer, a recorder, other functional area participants, advisor members, and the performance monitors. The FDO for each DO will be determined by program cost. The FDO for those DO's greater than \$50M will be AFPEO/C2, and those under \$50M will be ESC/JS as the FDO.

Members

Fee Determining Official:	AFPEO/C2*
Award Fee Review Board Chairperson:	JS System Program Director **
Award Fee Review Board Members: (Minimum members)	Contracting Officer JSSIP Program Manager AFRB Recorder (non-voting)

* AFPEO/C2 may delegate the FDO responsibilities to the Joint STARS System Program Director.

** The System Program Director may delegate the duties and responsibilities of the AFRB Chairperson.

Performance Monitors

The performance monitors may include but are not limited to:

Program Management	Logistics
Contracting	Quality Assurance
User	Test
Program Control	SEIT
Engineering	Requirements
Data/Config Management	

3.0 RESPONSIBILITIES

3.1 Fee Determining Official (FDO).

Approves the Award Fee Plan and any significant changes to the plan throughout the life of the contract. The FDO reviews the recommendation(s) of the AFRB, considers all pertinent data, and determines the earned-award-fee amount for each evaluation period.

3.2 AFRB Chairperson.

Appoints an AFRB Recorder. Briefs the FDO on recommended earned-award fee amounts and on the Contractor's overall performance during the evaluation period. Recommends significant Award Fee Plan changes to the FDO and approves Award Fee Plan changes as delegated by the FDO.

3.3 Award Fee Review Board.

AFRB members support the Board Chairperson and the FDO and are responsible for the following: 1) review and evaluate performance monitor reports, Contractor's self assessment, and other factors; 2) determine an earned-award fee recommendation; 3) prepare interim performance reports to be presented to the FDO; and 4) recommend changes to the Award Fee Plan.

3.4 AFRB Recorder.

AFRB Recorder manages all activities associated with the AFRB process to include the following: 1) consolidate the AFRB's assessment and recommendation for presentation to the FDO; 2) notify AFRB members when briefings and reports are due and writes and distributes the minutes of the AFRB meeting to the AFRB; 3) maintains the Award Fee Plan, including any changes approved by the AFRB Chairperson and FDO; and 4) maintains all pertinent award fee files.

3.5 Contracting Officer.

The CO is the liaison between the Contractor and Government Personnel. The CO prepares and distributes the contract modifications to award the fee authorized by the FDO and incorporate any changes to the Award Fee Plan.

3.6 Performance Monitors.

Performance Monitors maintain written records of the Contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Prepare interim and end-of-period evaluation reports as directed by the AFRB.

4.0 AWARD FEE PROCESSES

4.1 Available Award Fee Amount.

The earned award fee will be determined based on the Contractor's performance during each evaluation period and be awarded to the Contractor via a contract modification. The available award fee for each evaluation period is shown in each attachment for the Delivery Orders. Rollover of unearned award fee, for individual delivery orders, will be at the discretion of the FDO.

4.2 Evaluation Period

The evaluation period for award fee delivery orders issued under JSSIP will be either periodic/calendar date based or event driven. If the end of the period is date based, that date will be specified in each individual delivery order. If the end of the period is based on an event, that event will be negotiated (selected from the IMP, if applicable) and specified in each individual delivery order.

4.3 Evaluation Criteria.

The award fee evaluation will be based on Cost Control, Technical Performance, Management Practices, and any other area specified in the delivery orders. Individual Delivery Orders will choose the weighting between these areas.

4.3.1 Cost Control. The Cost Control evaluation will be based on an analysis of the 1) Contractor's efforts to control the program costs; 2) cumulative contract cost variances from baseline estimated cost targets; 3) impact of cost variances on the program and effect on the Life Cycle Cost (LCC) of the system; and 4) cost saving measures implemented as a result of Contractor-generated ideas or process improvements. Data from the Contractor's Earned Value Management System (EVMS) and variances from the initial baseline LCC estimate will be used to help determine the Contractor's evaluation grade for the Cost Control area during each award fee period.

4.3.2 Technical Performance. The Technical Performance evaluation will be based on an analysis of the following, as applicable 1) Contractor's ability to

deliver Technical Reports and other data deliverables in a complete, accurate and timely manner; 2) technical planning including risk reduction and trade-off analyses; 3) execution of tasks from the Technical Requirements Document and Integrated Master Plan; 4) execution of significant accomplishments (SAs) from the IMP consistent with the schedule occurrence of the SAs in the IMS; 5) management of total system requirements; and 6) systems engineering and integration with other JSSIP delivery orders, other Joint STARS development, sustainment, O&M efforts and the integration system engineering of these other efforts.

The Contractor will recommend the SAs used to determine the Technical Performance award for each period with the individual CPAF delivery orders. The specific SAs for each delivery order are TBD and will be set forth in each delivery order. For a scheduled significant accomplishment to be considered complete, the Government must agree that the exit criteria are met. The technical evaluation areas of each Delivery Order will list the significant accomplishments by award fee period. The Contractor may be objectively assessed based on the SAs accomplished vice planned during the rating period.

The Technical Performance evaluation will be based on the quality and the impact (positive or negative) of the completed significant accomplishments on the program. Impacts on program schedule, risk and cost will be considered. The level of Government attention required to maintain progress toward achieving program objectives will also be considered. Additionally, the impact of any uncompleted significant accomplishments may be included in the assessment.

4.3.3 Management Practices. The Management area evaluation will be based on an analysis of the Contractor's 1) responsiveness and communication; 2) risk management; and 3) program planning and control. The Contractor will receive an evaluation grade for the Management area for each award fee period.

4.4 Contractor's Self-Assessment.

The Contractor may submit to the Contracting Officer five (5) working days prior to the end of each evaluation period, a self-assessment of its performance for the period. This written assessment of the Contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the AFRB in evaluating the Contractor's performance. The Contractor's self-assessment may not exceed two (2) single-sided pages.

The Contractor may also request to present a briefing to the AFRB. It shall not exceed 30 minutes in length. It shall be scheduled within five (5) working days after the end of the end of each evaluation period and held within 30 calendar days after the end of each evaluation period.

4.5 Award Fee Process Schedule.

The Government will conduct both interim and end-of-period evaluations. The schedules for the activities associated with these evaluations are listed below.

4.5.1 The Government will accomplish the following actions within the specified time *prior* to the midpoint of each evaluation period:

30 days	(1) AFRB Recorder notifies AFRB members and performance monitors.
20 days	(2) Performance monitors submit interim evaluation reports to the AFRB.
15 days	(3) AFRB determines the interim evaluation results.
10 days	(4) AFRB provides the recommended interim evaluation results to the FDO.
5 days	(5) FDO provides the interim evaluation results to the CO and AFRB Chair.
0 days	(6) CO notifies the Contractor of the interim evaluation results, including any specific strengths and weaknesses for the current evaluation period.
Note: the interim evaluation will not include scoring.	

4.5.2 The Government will accomplish the following actions within the specified time at the end of each evaluation period:

<u>Prior</u>	
14 days	(1) AFRB Recorder notifies AFRB members and performance monitors.
5 days	(2) Performance monitors submit evaluation reports to the AFRB.
5 days	(3) Contractor submits self-evaluation to the CO.
<u>After</u>	
30 days	(4) AFRB prepares its evaluation report. AFRB Chairperson briefs/submit the evaluation report and recommended earned-award fee amount to the FDO. The Contractor presents the self-assessment summary to the FDO.
45 days	(5) FDO determines the earned-award fee amount.
46 days	(6) FDO provides the evaluation results to the CO.
60 days	(7) The CO issues the AFRB end-of-period evaluation report and a contract modification authorizing payment of the earned-award fee amount.

4.6 Award Fee Calculation Process.

The Award Fee that is awarded during a period is as follows:

1. The Evaluation Areas (Cost, Technical, Management, Other) are weighted out of 100%.
2. The grade (see below) is determined, based on the definitions established for each evaluation area.
3. The scores for each area is determined within the range of the evaluation grade.
4. The scores for each area are multiplied by the weights of each area.
5. The sum of these numbers is the Award Fee Score for that period and determines the Award Fee amount earned.

Award Fee Evaluation Grades

Evaluation Grade	Evaluation Definition	Score Range With base fee	Score Range With no base fee
Excellent	Met significant contract requirements and exceeded most*	90-100	90-100
Very Good	Met significant contract requirements and exceeded many*	80-89	80-89
Good	Met significant contract requirements and exceeded some*	50-79	60-79
Satisfactory	Met significant contract requirements*	20-49	50-59
Unsatisfactory	Did not meet contract requirements*	0-19	0-49

* as defined in the individual delivery orders

The evaluation grades are objectively determined by the evaluation grade definitions for each of the three (or more) evaluation areas (Cost Control, Technical Performance, and Management Practices). The specific scores (equal to the percent award fee) are subjectively assigned based on the AFRB's recommendation.

4.7 Sample Calculations

Note: All figures are just sample numbers.

The total program of Delivery Order X is \$100M.

In Period Y, it was determined that 15% or \$15M will be allocated into that pool.

Sample Evaluation Area Weighting:

Technical	50%
Cost	25%
Management	25%

JSSIP Master Award Fee Plan

Upon evaluation, the following figures were reached:

1. Technical was given an Excellent rating, and given a 90% within the rating scale.
2. Cost was given a Very Good rating, and given a 85% within the rating scale.
3. Management was given a Very Good rating, and given 88% within the rating scale.

Area of Eval	Rating		Weight		Subtotal
Technical:	.90	X	.50	=	.45
Cost:	.85	X	.25	=	.2125
Management:	.88	X	.25	=	.22
Total				=	.8825

So for this period, the Contractor earned a score of very good and $88.25\% \times \$15M = \$13,237,000$ award fee. Note: Only the final score will be provided to the Contractor.

5.0 MODIFICATIONS TO MASTER AWARD FEE PLAN

The AFRB Recorder will forward proposed changes to the AFRB Chairperson. Changes require FDO approval. After approval, the CO shall notify the Contractor in writing of any changes. Changes affecting the current evaluation period must be made by mutual agreement of both the Government and the Contractor. The additions of Delivery Orders as attachments will have signature blocks for approval.

6.0 CONTRACT TERMINATION

If the contract is terminated for the convenience of the Government after the start of an award fee evaluation period, the available award fee pool may be adjusted by the FDO to reflect the work performed. The amount of the award fee deemed earned for the period shall then be determined by the FDO using the normal Award Fee evaluation process. The award fee pool for all subsequent periods will not be available for award.

**JOINT STARS SYSTEM IMPROVEMENT PROGRAM
MASTER SUBCONTRACTING PLAN**

31 JANUARY 1999

**NORTHROP GRUMMAN SURVEILLANCE & BATTLE MANAGEMENT
SYSTEMS - MELBOURNE, FL**

MASTER SUBCONTRACTING PLAN

**FOR SMALL AND DISADVANTAGED BUSINESS CONCERNS,
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES
AND MINORITY INSTITUTIONS, WOMEN OWNED BUSINESS CONCERNS**

PERIOD COVERED: 1 FEBRUARY 1997 - 31 JANUARY 2000

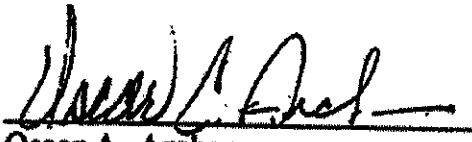
APPROVED BY:

NORTHROP GRUMMAN CORPORATION
Surveillance & Battle Management Systems

UNITED STATES OF AMERICA



Director, Procurement




Oscar A. Archer
Administrative Contracting Officer

DATE: 1/17/97

DATE: JAN 31, 1997

NORTHROP GRUMMAN CORPORATION
Surveillance & Battle Management Systems



Program Procurement Manager
Small Business Liaison Officer

DATE: Jan 10, 1997

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MASTER SUBCONTRACTING PLAN

1 FEBRUARY 1997 - 31 JANUARY 2000

INTRODUCTION

Northrop Grumman, Surveillance & Battle Management Systems (hereinafter referred to as Northrop Grumman) fully endorses the Federal Government's laws and initiatives which are designed to enhance and increase participation of Small Business Concerns (SBCs) and Small Disadvantaged Business Concerns (SDBC), Historically Black Colleges and Universities (HBCUs), Minority Institutions (MIs) and Women Owned Business Concerns (WOBCs) in the Government contracting process.

It is Northrop Grumman's policy to actively support this effort by giving small businesses the maximum practicable opportunity to participate in Northrop Grumman's Procurement process and to exert special efforts to bring SDBs, HBCUs, MIs and WOBCs into the mainstream of business as viable suppliers in support of the intent of Public Law 95-507.

All Northrop Grumman personnel involved in the procurement process will be indoctrinated to be sensitive to our obligations and to be alert to opportunities to subcontract to such concerns. Additionally, Northrop Grumman will participate in training workshops, Federal and local procurement conferences, seminars and trade fairs in furtherance of the Government's Small Business requirements.

The responsibility for implementation of these programs is borne by Division and Operating Element Officers, Program Vice Presidents, Department Directors, and all those in supervisory positions.

SUMMARY

This policy reflects Northrop Grumman's commitment to ensure compliance with the intent of the appropriate Public Laws as outlined in FAR 52.219-9 and DFARS 252.219.7003 and the incentive program for subcontracting with Small Business Concerns (SBCs) and Small Disadvantaged Business Concerns (SDBC), Historically Black Colleges and Universities (HBCUs), Minority Institutions (MIs), and Women Owned Business Concerns (WOBCs) in accordance with DFARS 252.219-7005. Northrop Grumman's Policy requires adherence to the DOD's objective of placing 5% of all subcontracts (as measured by dollars) with SDBs, HBCUs, WOBCs and MIs as prescribed in the law. Our policy also sets as goals a figure of 20% for Small Businesses pursuant to Public Law 100-656 and the NASA specific mandated goal of 8% of prime contract value to SDBC, HBCUs and MIs pursuant to Public Law 101-144.

SUBCONTRACTING PLAN DETAILS

This Master Subcontracting Plan is established under FAR 52.219-9(d) and is fully compliant to FAR 52.219-9.

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The following addresses FAR 52.219-9(d) in paragraph order:

(1) **PERCENT GOALS**

Percent goals for each individual contract action, as required, are shown on its "Individual Subcontracting Plan" addendum.

(2) **STATEMENT OF PLANNED SUBCONTRACTING DOLLARS**

Dollars planned to be subcontracted to SBCs, SDBC's, WOBCs and total are shown on the "Individual Subcontracting Plan" addendum.

(3) **PRINCIPAL TYPES OF SUPPLIES AND SERVICES**

Potential principal product areas to be subcontracted in support of our products include, but are not limited to:

Machined Parts/Raw Materials
Fixed Assets and Capital Equipment
Technical Services and Publications
Maintenance, Repair and Operating Supplies
Aircraft Hardware
Mechanical Components/Hardware
Avionics
Airborne Mechanical Equipment
Structures
Subsystems
Major Systems

(4) **METHOD USED TO DEVELOP GOALS**

Compliance with the intent of Public Laws 95-507, 99-661, 100-180, 101-144 and 100-656, requires goals be established for the maximum practicable opportunities based on the potential that may exist for SBCs, SDBC's, and WOBCs. This is accomplished in the following manner:

- 1) Review past history of similar buys and identify whether the award went to SBCs, Large Business Concerns (LBs), SDBC's, or WOBCs.
- 2) Buys identified to large business are reviewed to determine whether they fall within the potential of known SBCs, SDBC's, WOBCs, and goals established accordingly.
- 3) The Bill of Material for each proposal will be reviewed by knowledgeable purchasing personnel to identify whether there is potential for utilization of SBCs, SDBC's, WOBCs, HBCUs, and MIs.

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In establishing goals, Northrop Grumman will review potential awards to SBCs, SDBC's, and WOBCs not utilized in the past, and goals will reflect this endeavor wherever possible.

Indirect SBCs/SDBC's/LBs/WOBCs will be included in goals if applicable and further addressed in Paragraph (6), Indirect Costs. HBCUs or MIs, where applicable to individual Subcontracting Plans, will be reflected and included in the SDBC's goal.

(5) **IDENTIFICATION OF POTENTIAL SOURCES**

Northrop Grumman has established an extensive library of potential SBCs, SDBC's, and WOBCs sources. These include, but are not limited to:

- 1) A file of each potential SB, SDB, and WOBC (Seller) who has submitted information for consideration.
- 2) Commercial and Government source directories utilized in establishing potential bidders lists.
- 3) Aerospace Industries Association SDBC's Data Base which is available to all Procurement personnel. (Available at the Division Level.)
- 4) Florida Minority Purchasing Council supplier directory.
- 5) All DLA and SBA referrals receive consideration and are established in our file.
- 6) Northrop Grumman representatives attend Federal and local Procurement Conferences, Seminars, Trade Fairs, and other functions to seek out qualifiable SB/SDB/WOBCs concerns and HBCUs/MIs.
- 7) SBAs PASS.

(6) **INDIRECT COSTS**

Programming has been developed to identify overhead and indirect procurement associated in support of direct material. The intent is to allocate those overhead and indirect procurements to direct material dollars.

The methodology is expressed by the following formula:

$$\frac{\text{Direct Material (This Contract)}}{\text{Total Direct FY 1997}} = \text{Percentage of This Contract}$$

$$\frac{\text{Total Indirect FY 1997}}{\text{Total Indirect for This Contract}} \times \text{Percentage of this Contract} =$$

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(7) SUBCONTRACT PLAN ADMINISTRATION

Neil Mullins will administer Northrop Grumman's Small Business Subcontract Program. He is the Small Business Liaison Officer for the Northrop Grumman Corporation, Electronic & Systems Integration Division, Surveillance & Battle Management Systems, Melbourne Site and reports directly to the Director of Procurement, Rick Soloway. Mr. Mullins has also been designated the Senior Procurement Management focal point for SDB programs, and regularly attends Program Management Source Selection meetings.

Rick DeBord, a purchasing supervisor, has been assigned the responsibility to furnish advice and assistance to Small Business Concerns (SBCs), Small Disadvantaged Business Concerns (SDBC's) and Women Owned Business Concerns (WOBCs). Mr. Mullins has also been designated the Advocate for Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs) responsible for subcontracting activities, mutual educational support, grants and scholarships.

The duties of the Small Business Liaison Officer and his staff are to actively seek qualified small businesses and small disadvantaged firms who can compete for subcontracts (in accordance with Government and Northrop Grumman specifications), and can assure on-time delivery of acceptable products at competitive prices.

In addition, the Small Business Liaison Office assists with surveys of prospective sellers and assists them in becoming acquainted with the Northrop Grumman Procurement organization.

This office also maintains all small business and small disadvantaged business records which allows monitoring of all goals, and has a direct line to all procurement managers for goal review progress meetings. In furtherance of the Small/Small Disadvantaged Business Program, Mr. Mullins represents Northrop Grumman in relations with local and national business organizations who promote the interest of SBCs, SDBC's, HBCUs, MIs, and WOBCs activities.

(8) EQUITABLE OPPORTUNITY EFFORTS

Northrop Grumman will assure that SBCs, SDBC's, HBCUs, MIs and WOBCs will have an equitable opportunity to compete for subcontracts, receive solicitations, and have adequate time for preparation of bids.

Northrop Grumman has established an aggressive program designed to increase the amount of SDB concerns to whom we award purchase orders. Requests for quotation over \$2,500 where no SBCs, SDBC's, HBCUs, MIs, or WOBCs are to be solicited must be submitted to the Small Business Liaison Officer prior to release, to permit review for possible sources. If acceptable SBCs, SDBC's, HBCUs, MIs, or WOBCs cannot be identified by the Small Business Liaison Officer, he will so indicate on the Procurement Document Approval Record (Form GC 2616) that goods and/or services are not obtainable from other than "Large Businesses".

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Training programs or discussion sessions exist for all Procurement and other appropriate personnel to acquaint them with corporate policies and procedures regarding support of SBCs, SDBC's, HBCUs, MIs, and WOBCs. These address our subcontracting efforts, our contractual obligations to seek out the use of these sources when approved, and the need for continuous efforts to develop qualifiable SBCs, SDBC's, HBCUs, MIs, and WOBCs.

This program is conducted each calendar year to assure that a positive awareness exists and that new personnel are knowledgeable of Northrop Grumman's obligations to Small Business and Small Disadvantaged Business Programs.

The Small Business Liaison Officer is a member of the make-or-buy committee and cognizant of opportunities that may arise for SB/SDB concerns related to Aircraft and Electronic Programs.

Northrop Grumman encourages SBCs, SDBC's, HBCUs, MIs, and WOBCs to solicit business opportunities with Northrop Grumman by providing the following guidance and assistance to such concerns as:

- 1) General and specific assistance in development of management techniques and methods to help ensure SBCs, SDBC's, HBCUs, MIs, and WOBCs ability to compete;
- 2) Introduction to SBCs, SDBC's, HBCUs, MIs, and WOBCs personnel and capability to individuals in functional organizations who generate needs for products or service;
- 3) Facilitate SBCs, SDBC's, HBCUs, MIs, and WOBCs ability to respond to Invitations to Quote by means of Bidders Conferences, meetings, adequate bid response times, etc.;
- 4) Arrange on-site interface meetings with SBCs, SDBC's, HBCUs, MIs, and WOBCs to exchange information and improve communications;
- 5) Participate in SBCs, SDBC's, HBCUs, MIs, and WOBCs business conferences and trade fairs;
- 6) Referring new information on potential SBCs, SDBC's, HBCUs, MIs and WOBCs to Procurement and other appropriate personnel;
- 7) Listing SBCs, SDBC's, HBCUs, MIs, and WOBCs and back-up (facility profiles, etc.) for Procurement personnel use in the SB/SDB Library (Small Business Liaison Office);
- 8) Providing assistance to buyers and members of management in achieving the objectives of the SBCs, SDBC's, HBCUs, MIs and WOBCs subcontracting programs.

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9) Technical Assistance to Small Disadvantaged Business Concerns shall include, but not be limited to:

- a) Assistance in interpreting drawings by cognizant Northrop Grumman personnel
- b) Assistance in establishing quality control standards.
- c) Assistance in locating/providing material.
- d) Visits by appropriate Northrop Grumman personnel as required to check progress and assist where needed.

10) Efforts to restrict competition to Small Disadvantaged Business Concerns shall be accomplished by the following:

- a) Procedures are in effect encouraging Procurement personnel to award procurements of up to \$2,500 without competition to qualified Small Disadvantaged Business Concerns.
- b) Establishing SET-ASIDES by reserving all or part of a proposed procurement exclusively for SDBC/HBCUs, MIs, and WOBCs.
- c) Establishing SPLIT AWARDS by dividing subcontracts to multiple sources in order to allow SDBC, HBCUs, MIs and WOBCs to provide a portion.
- d) Establishing MENTOR/PROTEGE PROGRAMS to provide assistance to SDBC/HBCUs, MIs, and WOBCs to enhance their capabilities in order to increase their participation in Government contracts.

(9) **FLOW DOWN REQUIREMENTS**

Procurement personnel will include the "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns" clauses in all subcontracts which offer further subcontracting opportunities in accordance with FAR 52.219-8. In addition, Northrop Grumman will require our first tier subcontractors (except Small Business) receiving awards over \$500,000 or \$1,000,000 for construction of any public facility to submit a plan in consonance with the "Small Business and Small Disadvantaged Business Subcontracting Plan" clause per FAR 52.219-9. Further, each plan must receive written concurrence from the Small Business Liaison Office before release of any purchase order or contractual commitment. This written concurrence will reside in the purchase order folder and the plan will be incorporated into the purchase order.

(10) **REPORTS**

Northrop Grumman will submit periodic reports and cooperate with the Contracting Officer in any studies and surveys as may be required by the Contracting Officer or the Small Business Administration in order to determine the extent of compliance including Standard Form (SF) 294 Subcontracting Report for Individual Contracts, and SF 295, Summary Subcontract Report.

(11) **RECORDS**

Detailed records are maintained in the Northrop Grumman Small Business Liaison Office and are available on site to the Customer and Small Business Administration for review.

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Examples of some records available consist of such information as:

- 1) A file on each potential seller who has approached Northrop Grumman for consideration. Such information will include the name of the Procurement manager(s) and his/her written review of the potential or immediate need.
- 2) Listing of all business conferences and trade fairs attended, each indicating the companies interviewed and follow-up action required.
- 3) Records indicating on-going training sessions with all procurement groups, personnel attending and presentations made.
- 4) Files indicating technical assistance, management assistance and financial assistance, i.e., progress payments, etc., rendered.

Corporate/Division/Operating Element written procedures for Procurement have been adopted to comply with the policies set forth in FAR 52.219-9. This includes the establishment of a source list of SB and SDB concerns and a monthly report of awards to SB and SDB concerns on the source list. All active sellers are interrogated periodically to update their size and Small Disadvantaged Ownership classifications. These self certification forms contain a notification of the potential penalties and remedies called out in FAR 52.219-9(E)(4) for misrepresentation of a firms status as a SB or SDB concern. Their responses are coded and published in the Master Seller List as follows: "1" for Small Business; "2" for Large; "3" for Women Owned Business; "6" for Small Disadvantaged Business Concerns, "9" for Historically Black Colleges and Universities and Minority Institutions, and "0" for Minority Women Owned firms. These codes are found in the Master Sellers List identifying all Northrop Grumman Sellers and appears on all EDP commitment reports utilized for reporting statistics to the Customers and Small Business Administration.

Additionally, each purchase order issued requires an award code to be entered which describes the rationale of the award. On awards over \$2,500 a justification must be included in the purchase order file giving details of the award and the necessary backup data which consists of the Invitation to Quote which lists all bidders who were selected, and rationale for the selection. In addition, if a Small Disadvantaged Business was not asked to bid, an explanation is contained in the purchase order file.

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